

2 March 1987
OCA 87-0689

MEMORANDUM FOR THE RECORD

FROM: [redacted] Legislation Division
Office of Congressional Affairs

SUBJECT: Comments to OMB Re: Long-Term Care Insurance

1. On 27 February 1987, after consulting with [redacted] Chief, Administrative Law Division/OGC and after reviewing comments by [redacted] Chief, Insurance Operations Division/OP, I telephoned Todd Gramms of the Office of Management and Budget (OMB) to relay our comments on the Office of Personnel Management (OPM) draft bill to make long-term care insurance available to Federal employees. [redacted] comments are attached.

2. I told Mr. Gramms that, although we are in favor of providing long-term care insurance, we are unsure whether this insurance program is the appropriate vehicle in which to do so. We have not had the opportunity to review the bill in great detail, but note that the rights and entitlements of former spouses have not been addressed. There are pros and cons in allowing or disallowing such rights/entitlements. If allowed, it complicates an already complicated insurance system. If disallowed, how can this be rationalized in view of the fact that these former spouses already have rights and entitlements in other insurance programs? This aspect needs to be addressed, especially since there has been significant legislation in this area in the last few years. Mr. Gramms informed me that this is one of OMB's comments to OPM.

[redacted]

Attachment:
as stated

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OCA/LEG [redacted] (2 Mar 87)

February 27, 1987

MEMORANDUM FOR: [] Legislative Division
Office of Congressional Affairs

FROM : []
Chief, Insurance Operations Division

SUBJECT : Comment on Long-Term Care Insurance

REFERENCE : Your memorandum, dtd 24 Feb 1987, Subject: Long-Term
Care Insurance

1. Unfortunately, I received your request for comments in the first mail on Friday, 27 February 1987; however, we were aware of the bill and following is our initial reaction.

2. There are some good and bad points to the proposal. We do need this type of insurance but the question is whether FEGLI is the best vehicle to use to provide this coverage. Therefore, I would provide the following comment to OMB:

The Agency is in favor of Long Term care Insurance. However, we have not concluded that utilizing FEGLI as the vehicle to provide such coverage is the best method. We would want to study the matter more thoroughly before fully supporting the current proposal. This proposal merits careful consideration to ensure that, of the options available, this is the best one.

3. If you have any questions on this, please call me on []

Sincerely, []

cc: DD/OP
DD/EBS